
A BILL FOR AN ACT

RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that many Hawaii
2 residents are unable to obtain timely and appropriate health
3 care due to shortages of primary health care providers in the
4 State. These shortages not only threaten individual health but
5 also cumulatively affect the State's health care costs. Rural
6 areas of Hawaii, which have been designated by the federal
7 government as medically underserved areas, have been most
8 significantly affected by shortages of primary and behavioral
9 health care providers. Social workers, marriage and family
10 therapists, and nurses are also urgently needed.

11 In many cases, the increasingly high cost of education for
12 health care professionals binds graduates to a career path that
13 provides sufficient income to repay often exorbitant student
14 loans. These career paths most frequently lead to professional
15 practice in highly specialized areas of care in urban areas
16 rather than in general practice on the neighbor islands or in
17 rural areas, where the need is greatest. The legislature



1 further finds that counties in the United States with robust
2 primary health care systems have lower costs and improved
3 patient outcomes. Recognizing this correlation, many states
4 have made the policy decision to dedicate public funds to the
5 development of a strong primary health care workforce.

6 The only loan repayment program currently available in the
7 State is administered by the John A. Burns school of medicine at
8 the University of Hawaii at Manoa. This program leverages
9 private donations to access matching federal funds through the
10 State Loan Repayment Program of the National Health Service
11 Corps of the Department of Health and Human Services. Since
12 September 1, 2012, the loan repayment program has supported
13 forty-two recipients in exchange for work in underserved
14 geographic and practice areas in Hawaii. Currently, health care
15 professionals who have benefited from the loan repayment program
16 serve the communities of Waianae, Hilo, and Wailuku; at health
17 clinics in Kalihi-Palama Health Center, Queen Emma Clinic, and
18 Waikiki Health Center; and in public institutional settings at
19 the Federal Detention Center in Honolulu and the Halawa
20 correctional facility.



1 The legislature recognizes the considerable public outcomes
2 achieved from the general funds allocated in each year of the
3 2017-2019 biennium to educate, train, and facilitate health care
4 professionals to work in underserved areas. At this time, the
5 loan repayment program supports twenty-four providers in Hawaii.

6 The purpose of this Act is to:

- 7 (1) Add advanced practice registered nurses, registered
8 nurses, and licensed social workers as eligible health
9 care professionals under the health care provider loan
10 repayment program administered through the John A.
11 Burns school of medicine; and
- 12 (2) Appropriate funds to the department of health to fund
13 the health care provider loan repayment program
14 administered through the John A. Burns school of
15 medicine to provide loan repayment for certain health
16 care professionals who agree to work in a federally-
17 designated health professional shortage area or in a
18 geographic area of Hawaii found to be underserved.

19 SECTION 2. Section 309H-3, Hawaii Revised Statutes, is
20 amended by amending subsections (a) and (b) to read as follows:



1 "(a) There is created within the Hawaii health corps
2 program, the Hawaii rural health care provider loan repayment
3 program to be administered by the University of Hawaii John A.
4 Burns school of medicine and the University of Hawaii at Manoa
5 school of nursing and dental hygiene in partnership with a
6 lending financial institution whose operations are principally
7 conducted in Hawaii. The Hawaii rural health care provider loan
8 repayment program shall provide loan repayments to eligible
9 physicians, physician assistants, ~~[and]~~ nurse practitioners,
10 advanced practice registered nurses, registered nurses, and
11 licensed social workers who make the service commitment under
12 subsection (b). The University of Hawaii John A. Burns school
13 of medicine and the University of Hawaii at Manoa school of
14 nursing and dental hygiene shall make loan repayments pursuant
15 to subsection (b) directly to the financial institution [~~under~~
16 ~~subsection (b)~~] to offset the loan repayment for which the
17 Hawaii rural health care provider loan repayment program
18 recipient would otherwise be liable. Loan repayments shall
19 commence upon the commencement of loan repayments by the Hawaii
20 rural health care provider loan repayment program recipient to
21 the lending financial institution. The University of Hawaii



1 John A. Burns school of medicine and the University of Hawaii at
2 Manoa school of nursing and dental hygiene shall prioritize loan
3 repayments in accordance with the greatest specialty shortages
4 for the particular county.

5 (b) The Hawaii rural health care provider loan repayment
6 program shall provide loan repayments on behalf of licensed
7 physicians, physician assistants, ~~[and]~~ nurse practitioners,
8 advanced practice registered nurses, registered nurses, and
9 licensed social workers who agree to serve for five consecutive
10 years as a physician, physician assistant, ~~[or]~~ nurse
11 practitioner, advanced practice registered nurse, registered
12 nurse, or licensed social worker in a county having a shortage
13 of physicians, physician assistants, and nurse practitioners,
14 with priority given to a rural area of that particular county;
15 provided that eligible physicians, physician assistants, ~~[or]~~
16 nurse practitioners, advanced practice registered nurses,
17 registered nurses, or licensed social workers, as applicable,
18 shall have graduated from a duly accredited medical school or
19 nursing school within the United States; provided further that
20 preference shall be given to graduates of the University of
21 Hawaii John A. Burns school of medicine or the University of



1 Hawaii at Manoa school of nursing and dental hygiene, as
2 applicable."

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$350,000 or so much
5 thereof as may be necessary for fiscal year 2019-2020 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2020-2021 for the health care provider loan repayment program;
8 provided that no funds shall be expended unless matched on a
9 dollar-for-dollar basis by funds from a private or another
10 public source.

11 The sums appropriated shall be expended by the department
12 of health in coordination with the John A. Burns school of
13 medicine at the University of Hawaii at Manoa for the purposes
14 of this Act.

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect on July 1, 2019.



Report Title:

Loan Repayment; Health Care Professionals; Matching Funds;
Health Care Provider Loan Repayment Program; Appropriation

Description:

Expands eligible health care professionals under the health care provider loan repayment program administered through the John A. Burns school of medicine to include licensed social workers, advanced practice registered nurses, and registered nurses. Appropriates funds for the health care provider loan repayment program administered through the John A. Burns School of Medicine of the University of Hawaii at Manoa; provided that the funds are matched on a dollar-for-dollar basis by a private or another public source. (SD1)

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